



EAGLE

12110 Business Blvd, Ste 6 PMB 165, Eagle River, AK 99577

Proposed Chugiak Regional Borough Education System – Part 1

This is the first part of our series of articles to describe an education model option for the new Chugach Regional Borough. Our goal is to first protect the future of the children of our community. We have been given a marvelous, unique privilege and opportunity to literally create this model using existing federal and state laws and regulations.

This first article contains some of the foundational realities regarding the ASD education system, the detachment from the Municipality of Anchorage (MOA), and the subsequent incorporation of the new Chugach Regional Borough (CRB). We believe in the end we will deliver better education for our children and families which will result in a better return on our hard-earned education investment dollars.

Community Participation

We are asking the Chugiak-Eagle River public to participate in a positive brainstorming session. Keep in mind this is the first time in the history of Alaska that we can create a “blank slate” to build an education foundation model from scratch. Our primary goal is to provide better outcomes and performance in education.

Thomas Sowell, in 2020, stated, “There is no need for a one-size-fits-all education, even if that presents a tableau pleasing to adults with a particular social vision.”

The detachment of the CRB from the MOA and the subsequent incorporation of a new school district is a major concern of our community. Nothing like this has ever happened in Alaska.

Current and Projected Costs of Mill Rate Support

The ASD 2023 cost for the operation and maintenance of the 17 schools in the proposed CRB is a little under \$51 million. The current areawide property tax mill rate of 7.63, plus state and federal funds, exceeds this amount. The CRB budget proposes a mill rate of 3.0. This, along with the state and federal funds, will both supply the amount needed for the education system and reduce property taxes. This (hypothetically) results in a mill rate reduction of 4.63 mills translating into a property tax savings of \$1,862 per year on a \$400,000 home.

The CRB proposed school district will utilize the current Anchorage School District (ASD) real property in Chugiak-Eagle River, which includes over 1.4 million square feet of space, 266 acres of property, and 503 classrooms.

Detachment – How Much Is Ours?

There has been some concern about how all this property and structure will be paid for by the new CRB.

First, it must be remembered that the 9 property tax districts in Assembly District 2 (Chugiak-Eagle River) have continually paid their share since MOA formation. This means like in a marriage, assets, and liabilities are a common undivided interest. With detachment, like a divorce, these assets and liabilities are equitably divided.

The detachment and incorporation process will require the settlement of assets and liabilities. Current school facilities within Assembly District 2 are valued at approximately \$312,000,000. The currently estimated division of assets and liabilities between the MOA and the proposed CRB is between 12% and 15%, although this may change or be further refined with additional due diligence.

As of June 14, 2022, and not including any liabilities after that date, the MOA liabilities, per the MOA's Chief Fiscal Officer, are approximately \$824 Million. 12% to 15% of this amount will be approximately \$99 Million to \$124 Million. This may also include an approximate additional \$100 Million in rewriting the liabilities for the detachment. In other words, the amount of liabilities incurred by the new CRB could be as high as \$224 Million.

The current MOA real property asset base, not including liquid and other assets, is approximately \$8.7 Billion. 12% to 15% of this amount will be approximately \$1.044 Billion to \$1.305 Billion. Even with the 15% liabilities including the rewrite of \$224 Million against the low of assets of approximately \$1.044 Billion, this will leave a balance due to the new CRB of approximately \$820 Million in real property value.

Again, this does not include any of the MOA's liquid or other assets which will be determined during the detachment process. It is concluded that such a settlement will not require any additional property tax to pay any debt resulting from detachment for the new CRB.

Improving Student Performance

The enrollment capacity of all school buildings in the new CRB is 9,712 students according to ASD. The ASD estimated enrollment for 2023-2024 is a little over 7,100 so the new CRB can absorb approximately 27% more students before the CRB school district is at capacity.

The Alaska Department of Education and Early Development (DEED) uses an assessment tool called Performance Evaluation of Alaska Schools (PEAKS). The 2020-2021 ASD PEAKS results for all grades with a reported enrollment of 22,112 using a student participation rate of 71.76% for English Language Arts and 71.17% for Mathematics resulted in a "Below/Far Below Proficient" rate for English Language Arts of 56.86% and Mathematics of 63.22%.

Conclusion

The CRB proposed school district will have the ability to create a more personalized education model that meets the needs of its students. This can include project-based learning,

apprenticeships, and other innovative approaches that have been shown to be effective in promoting student engagement and success.

The Chugach Regional Borough has a unique opportunity to create a new education model that prioritizes the needs and success of its students. With careful planning and collaboration with the community, the CRB can build a system that provides better outcomes while also being more cost-effective. By leveraging existing resources and taking advantage of new opportunities, the CRB can build a model that serves as a beacon for other communities looking to improve their own education systems.

We will be providing the next article which will continue to develop this model shortly. We look forward to continuing the conversation and working towards a brighter future for the children of the Chugiak-Eagle River area.

We encourage you to get involved, too! Feel free to call us anytime, and don't hesitate to come to our weekly Tuesday evening meetings at the Cozy Carpet Warehouse behind the store at 7 pm.



Thank you for joining us in this effort!

Sean Murphy, Chair

Sean Murphy came to Alaska in the Army. Met his wife and moved to Eagle River in 1999 with his family. He is a retired Anchorage School District educator and administrator. He is active with his community council and is the new chair of Eaglexit. He can be reached at Sean.Eaglexit@gmail.com or 907-632-5307.